

**SPECIAL ADJUSTMENTS
BUDGET OF
UTHUKELA DISTRICT
MUNICIPALITY**



2024/25

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1.1. Mayor's Report

UThukela District Municipality has experienced financial challenges in the 2024/25 financial year and remains under administration in terms of S139 of the MFMA. The municipality encounters challenges in terms of grant spending. Amongst other material challenges the municipality has had to deal with staff disputes which emanated from changes to controls, such as the approval and monitoring of overtime. The municipality has responded positively to the said challenges and continues to support government interventions.

The municipality tabled a midyear review in January 2024, which analysed and reflected on the financial performance of the first six months of the year. On review of the financial performance at midyear it was evident that an adjustments budget is required. The major aim of this adjustments budget is to consider and apply remedial measures in areas of non-performance. This adjustments budget also seeks to prioritise and apply the feedback received from Treasury and COGTA on the midyear performance. The budget remains unfunded and is supported by means of a budget funding plan. Senior management has contributed strategies to the funding plan.

Various capital projects budgeted for this financial year have commenced, going forward these projects will remain under the strict monitoring and supervision. This will ensure capital grants are fully spent and that capital projects are implemented successfully as per the adopted business plans.

The municipality remains committed to the turn-around time of the budget funding plan and the improvement of the audit opinion, all strengthening the level of basic service delivery.

1.2 Council Resolutions

On the 30 May 2025

the Council of UThukela District Municipality met at the town to consider the special adjustments budget of the municipality for the financial year 2024/25. The Council approved and adopted the following resolutions:

1. The UThukela District Local Municipality, acting in terms of section 72 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The adjustments budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Adjustments Budget Financial Performance (revenue and expenditure by standard classification) as contained in Table B2
 - 1.1.2. Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) as contained in Table B3
 - 1.1.3. Adjustments Budget Summary as contained in Table B1
 - 1.1.4. Adjustments Budget financial performance (revenue and expenditure) as contained in Table B4

- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Adjustments Budget Financial Position as contained in Table B6
 - 1.2.2. Adjustments Budget Cash Flows as contained in Table B7
 - 1.2.3. Adjustments Budget Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.2.4. Adjustments Budget Asset management as contained in Table B9
 - 1.2.5. Adjustments Budget Basic service delivery measurement as contained in Table B10
 - 1.2.6. The adjusted budget funding plan

1.3 Executive Summary

Section 72 of the Municipal Finance Management Act (MFMA) requires that municipalities review their financial results for the mid-year during January of each year

Section 72 indicates that the following information must be provided:

- the monthly statements referred to in section 71 for the first half of the financial year.
- the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan.
- the past year's annual report, and progress on resolving problems identified in the annual report

As part of the review the accounting officer must:

- make recommendations as to whether an adjustment budget is necessary and
- recommend revised projections for revenue and expenditure to the extent that this may be necessary

Background

An Adjustment Budget must be table to council any time after the mid-year budget review have been tabled to council but no later than 28 February of the current year as per Municipal Budget Regulation Reporting 23(1).

The Mid- Year Budget Review Report has highlighted variances in terms of actual year to date income and expenditure versus year-to-date budgets. The variances were considered and where necessary adjustments were made.

Consideration of section 18 of MFMA was made, which states that:

“An annual budget may only be funded from:

- a) Realistic anticipated revenues to be collected.*
- b) Cash backed accumulated funds from previous year’s surpluses not committed for other purposes; and*
- c) borrowed funds, but only for the capital budget referred to in section 17(2)*

(2) Revenue projections in the budget must be realistic, considering:

- a) Projected revenue for the current year based on collection levels to date; and*
- b) Actual revenue collected in previous financial years.”*

Great emphasis has been placed on ensuring that the available resources are employed onto the municipality’s core function; furthermore, adjustments have been made to votes impacting directly on service delivery.

Adjustments Budget (summary) – [B1]

DC23 Uthukela - Table B1 Adjustments Budget Summary - 2025/06/02

Description	2024/25									Budget Year 2025/26	Budget Year 2026/27
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	–	–	–	–	–	–	–	–	–	–	–
Service charges	334,578	291,842	–	–	–	–	–	–	291,842	331,094	374,136
Investment revenue	10,482	7,007	–	–	–	–	–	–	7,007	6,175	6,459
Transfers recognised - operational	620,501	632,192	–	–	–	–	(7,092)	(7,092)	625,100	665,135	695,840
Other own revenue	65,430	73,540	–	–	–	–	–	–	73,540	76,437	79,953
Total Revenue (excluding capital transfers and contributions)	1,030,991	1,004,581	–	–	–	–	(7,092)	(7,092)	997,490	1,078,839	1,156,387
Employee costs	363,137	395,959	–	–	–	–	–	–	395,959	406,233	406,233
Remuneration of councillors	6,155	6,219	–	–	–	–	–	–	6,219	6,219	6,219
Depreciation & asset impairment	238,568	165,010	–	–	–	–	–	–	165,010	167,246	174,939
Finance charges	–	6,456	–	–	–	–	–	–	6,456	6,740	7,044
Inventory consumed and bulk purchases	51,060	92,497	–	–	–	–	(6,000)	(6,000)	86,497	68,790	69,701
Transfers and subsidies	5,830	0	–	–	–	–	–	–	0	3,600	–
Other expenditure	302,482	427,403	–	–	–	–	(4,070)	(4,070)	423,333	396,006	407,536
Total Expenditure	967,232	1,093,544	–	–	–	–	(10,070)	(10,070)	1,083,474	1,054,834	1,071,672
Surplus/(Deficit)	63,759	(88,963)	–	–	–	–	2,979	2,979	(85,984)	24,005	84,715
Transfers and subsidies - capital (monetary allocations)	291,529	277,808	–	–	–	–	8,265	8,265	286,073	311,791	338,970
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	355,288	188,846	–	–	–	–	11,243	11,243	200,089	335,797	423,685
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	355,288	188,846	–	–	–	–	11,243	11,243	200,089	335,797	423,685
Capital expenditure & funds sources											
Capital expenditure	308,529	244,241	–	–	–	–	7,187	7,187	251,427	273,623	296,757
Transfers recognised - capital	291,529	241,573	–	–	–	–	7,187	7,187	248,759	271,123	294,757
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	17,000	2,668	–	–	–	–	–	–	2,668	2,500	2,000
Total sources of capital funds	308,529	244,241	–	–	–	–	7,187	7,187	251,427	273,623	296,757
Financial position											
Total current assets	69,879	257,116	–	–	–	–	10,057	10,057	267,172	358,355	561,525
Total non current assets	2,620,048	3,407,263	–	–	–	–	7,187	7,187	3,414,449	3,560,162	3,771,202
Total current liabilities	641,227	851,142	–	–	–	–	800	800	851,942	970,762	1,082,524
Total non current liabilities	35,360	49,527	–	–	–	–	–	–	49,527	51,657	51,657
Community wealth/Equity	2,024,677	2,685,304	–	–	–	–	11,243	11,243	2,696,547	2,919,889	3,220,920
Cash flows											
Net cash from (used) operating	268,474	167,157	–	–	–	–	11,243	11,243	178,401	252,446	336,105
Net cash from (used) investing	(308,529)	(244,241)	–	–	–	–	(7,187)	(7,187)	(251,427)	(273,623)	(296,757)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(107,356)	(71,368)	–	–	–	–	4,057	4,057	(67,312)	(158,146)	(112,623)
Cash backing/surplus reconciliation											
Cash and investments available	(107,356)	(71,368)	–	–	–	–	4,057	4,057	(67,312)	(151,972)	(106,164)
Application of cash and investments	518,259	765,131	–	–	–	–	(77,606)	(77,606)	687,525	676,084	656,208
Balance - surplus (shortfall)	(625,615)	(836,499)	–	–	–	–	81,662	81,662	(754,837)	(828,055)	(762,372)
Asset Management											
Asset register summary (WDV)	2,590,045	3,383,633	–	–	–	–	18,352	18,352	3,401,985	3,518,384	3,689,423
Depreciation	73,910	84,528	–	–	–	–	–	–	84,528	83,303	87,135
Renewal and Upgrading of Existing Assets	54,833	42,985	–	–	–	–	13,261	13,261	56,246	46,594	70,227
Repairs and Maintenance	100,378	78,427	–	–	–	–	(470)	(470)	77,957	55,000	55,675
Free services											
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–	–
Households below minimum service level											
Water:	29	–	–	–	–	–	–	–	29	29	29
Sanitation/sewerage:	5	–	–	–	–	–	–	–	5	5	5
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

- Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative on the adjustments budget.
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget.
 - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The municipality's cash flow position is weak. Hence the municipality has decided to keep its internally generated capital funding low.
4. The Municipality plans to work hard on collecting its old debt. The revenue section has put a plan in action in this regard, as the municipality is putting great emphasis on regaining its financial stability.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Adjustments Budget Financial Performance (functional classification) – [B2]

DC23 Uthukela - Table B2 Adjustments Budget Financial Performance (functional classification) - 2025/06/02												
Standard Description	Ref	2024/25										Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5	6	7	8	9	10	11	12		
			A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		691,476	626,150	–	–	–	–	–	–	626,150	734,502	778,294
Executive and council		–	–	–	–	–	–	–	–	–	–	–
Finance and administration		691,476	626,150	–	–	–	–	–	–	626,150	734,502	778,294
Internal audit		–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		60	47	–	–	–	–	6,900	6,900	6,947	49	51
Community and social services		–	–	–	–	–	–	6,900	6,900	6,900	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		60	47	–	–	–	–	–	–	47	49	51
<i>Economic and environmental services</i>		–	–	–	–	–	–	–	–	–	–	–
Planning and development		–	–	–	–	–	–	–	–	–	–	–
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		630,984	656,193	–	–	–	–	(5,727)	(5,727)	650,466	656,080	717,011
Energy sources		–	–	–	–	–	–	–	–	–	–	–
Water management		630,984	656,193	–	–	–	–	(5,727)	(5,727)	650,466	656,080	717,011
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1,322,520	1,282,390	–	–	–	–	1,173	1,173	1,283,563	1,390,631	1,495,357
Expenditure - Functional												
<i>Governance and administration</i>		430,019	345,888	–	–	–	–	(8,000)	(8,000)	337,888	375,336	382,516
Executive and council		51,120	52,368	–	–	–	–	(500)	(500)	51,868	56,174	55,770
Finance and administration		378,898	293,520	–	–	–	–	(7,500)	(7,500)	286,020	319,162	326,747
Internal audit		–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		58,078	62,187	–	–	–	–	(1,200)	(1,200)	60,987	58,102	57,404
Community and social services		7,773	20,269	–	–	–	–	–	–	20,269	9,390	8,612
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		50,305	41,918	–	–	–	–	(1,200)	(1,200)	40,718	48,712	48,791
<i>Economic and environmental services</i>		26,084	15,489	–	–	–	–	–	–	15,489	28,023	24,469
Planning and development		26,084	15,489	–	–	–	–	–	–	15,489	28,023	24,469
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		453,052	669,980	–	–	–	–	(870)	(870)	669,110	593,373	607,283
Energy sources		–	–	–	–	–	–	–	–	–	–	–
Water management		453,052	669,980	–	–	–	–	(870)	(870)	669,110	593,373	607,283
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	967,232	1,093,544	–	–	–	–	(10,070)	(10,070)	1,083,474	1,054,834	1,071,672
Surplus/ (Deficit) for the year		355,288	188,846	–	–	–	–	11,243	11,243	200,089	335,797	423,685

1. Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 06 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table B4.

Adjustments Budget Financial Performance (B3)

DC23 Uthukela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 2025/06/02

Vote Description [Insert departmental structure etc]	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - BUDGET & TREASURE OFFICE		691,476	625,837	-	-	-	-	-	-	625,837	734,176	777,953
Vote 2 - CORPORATE SERVICES		-	313	-	-	-	-	-	-	313	326	341
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		-	-	-	-	-	-	6,900	6,900	6,900	-	-
Vote 5 - MUNICIPAL HEALTH SERVICES		60	47	-	-	-	-	-	-	47	49	51
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		630,984	656,193	-	-	-	-	(5,727)	(5,727)	650,466	656,080	717,011
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,322,520	1,282,390	-	-	-	-	1,173	1,173	1,283,563	1,390,631	1,495,357
Expenditure by Vote	1											
Vote 1 - BUDGET & TREASURE OFFICE		236,453	153,790	-	-	-	-	-	-	153,790	164,522	169,382
Vote 2 - CORPORATE SERVICES		142,527	141,610	-	-	-	-	(7,500)	(7,500)	134,110	153,943	156,668
Vote 3 - OFFICE OF THE MM		49,374	44,837	-	-	-	-	(750)	(750)	44,087	51,241	51,494
Vote 4 - PLANNING AND SOCIAL SERVICES		27,924	28,514	-	-	-	-	-	-	28,514	30,925	26,590
Vote 5 - MUNICIPAL HEALTH SERVICES		50,305	41,918	-	-	-	-	(1,200)	(1,200)	40,718	48,712	48,791
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		453,052	669,980	-	-	-	-	(870)	(870)	669,110	593,373	607,283
Vote 7 - MAYORAL AND COUNCIL		7,597	12,895	-	-	-	-	250	250	13,145	12,118	11,464
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	967,232	1,093,544	-	-	-	-	(10,070)	(10,070)	1,083,474	1,054,834	1,071,672
Surplus/ (Deficit) for the year	2	355,288	188,846	-	-	-	-	11,243	11,243	200,089	335,797	423,685

- Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the water and sanitation trading services.

Summary of Adjusted Revenue Classified by Main Revenue Source [B4]

DC23 Uthukela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2025/06/02												
Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	316,389	272,710	–	–	–	–	–	–	272,710	308,162	348,223
Service charges - Waste Water Management	2	18,189	19,132	–	–	–	–	–	–	19,132	22,931	25,912
Service charges - Waste Management	2	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		632	493	–	–	–	–	–	–	493	555	580
Agency services		–	–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		64,535	69,487	–	–	–	–	–	–	69,487	74,299	77,717
Interest earned from Current and Non Current Assets		10,482	7,007	–	–	–	–	–	–	7,007	6,175	6,459
Dividends		–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		–	–	–	–	–	–	–	–	–	–	–
Licence and permits		–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		203	2,934	–	–	–	–	–	–	2,934	1,071	1,120
Non-Exchange Revenue												
Property rates	2	–	–	–	–	–	–	–	–	–	–	–
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		60	626	–	–	–	–	–	–	626	512	535
Licences or permits		–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		620,501	632,192	–	–	–	–	(7,092)	(7,092)	625,100	665,135	695,840
Interest		–	–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		1,030,991	1,004,581	–	–	–	–	(7,092)	(7,092)	997,490	1,078,839	1,156,387
Expenditure By Type												
Employee related costs		363,137	395,959	–	–	–	–	–	–	395,959	406,233	406,233
Remuneration of councillors		6,155	6,219	–	–	–	–	–	–	6,219	6,219	6,219
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		51,060	92,497	–	–	–	–	(6,000)	(6,000)	86,497	68,790	69,701
Debt impairment		164,658	80,482	–	–	–	–	–	–	80,482	83,943	87,805
Depreciation and amortisation		73,910	84,528	–	–	–	–	–	–	84,528	83,303	87,135
Interest		–	6,456	–	–	–	–	–	–	6,456	6,740	7,044
Contracted services		171,931	148,132	–	–	–	–	6,080	6,080	154,212	125,162	127,142
Transfers and subsidies		5,830	0	–	–	–	–	–	–	0	3,600	–
Irrecoverable debts written off		–	80,482	–	–	–	–	–	–	80,482	83,943	87,805
Operational costs		130,551	198,789	–	–	–	–	(10,150)	(10,150)	188,638	186,900	192,590
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		967,232	1,093,544	–	–	–	–	(10,070)	(10,070)	1,083,474	1,054,834	1,071,672
Surplus/(Deficit)		63,759	(88,963)	–	–	–	–	2,979	2,979	(85,984)	24,005	84,715
Transfers and subsidies - capital (monetary allocations)		291,529	277,808	–	–	–	–	8,265	8,265	286,073	311,791	338,970
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation		355,288	188,846	–	–	–	–	11,243	11,243	200,089	335,797	423,685
Income Tax		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		355,288	188,846	–	–	–	–	11,243	11,243	200,089	335,797	423,685
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		355,288	188,846	–	–	–	–	11,243	11,243	200,089	335,797	423,685
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1	355,288	188,846	–	–	–	–	11,243	11,243	200,089	335,797	423,685

After the adjustments that was tabled to council in February, it is very important to note that a special adjustment was recommended to accommodate the two changes in grants, namely the reduction in MIG and a new disaster allocation that the municipality received.

WATER SALES:

Water charges have been decreased from the original budget estimate. The newly computed billing figure of R272m of water sales is based on the actual billing figures at midyear. The municipality has noted the impact of disruptions in water supply on the sales generated, the consistency and improvement in water supply has been prioritised which will positively impact future water and sanitation sales. The total water sales as at midyear did not include prepaid water sales for 2024/25, however the sales have been factored into the adjustments budget, pending the outcomes of the court case. The municipality investigated as to the high decrease in billing and has since discovered adjustments that were incorrectly done for prior years affecting current year. The municipality has also discovered numerous meters that were not billed in the current year, this has affected the billing quite negatively. However, the municipality will do journals to correct this and has factored these adjustments in the adjustments budget. The municipalities tariffs are not cost reflective which is also a major concern for the municipality and trying remedial measures to address the issues at hand.

SANITATION SALES:

Water sales have increased from the original budget estimate of R18.1 m to R19.1 million. This constitutes an increase of R 1 m. The adjustments were done based on midyear actuals and month 7 actuals and a straight-line projection was used to forecast the adjusted total. The municipality is also looking at its tariffs as they are not cost reflective and affect the municipality adversely.

INTEREST FROM INVESTMENTS:

The municipality has had to decrease the interest on investment by R3.4 million. The municipality is facing financial challenges, thus struggling to keep investments, however it will ring fence all its grants' monies going forward and build its reserves. A straight-line projection was used based on midyear actuals and month 7 actuals to forecast the adjusted total. The municipality has prioritised the management of cash flows and monthly fixed costs, complying with the terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically.

TRANSFERS AND SUBSIDIES:

Operating Transfers and Subsidies amount to R632 million which includes an amount of R614 equitable share. The municipality also included the rollover for rural roads of R 99 thousand to total R632 192. The MIG allocation was reduced by 5 million, which meant that from the previous allocation of 11 million top slice, the municipality had to make an adjustment of 7 million.

Transfers and Subsidies operational made up, 63% of the revenue basket. This is an indication that the municipality is grant reliant.

FINES AND PENALTIES:

This line item relates specifically to fines issued by the Health Department and disconnection fee penalties, the municipality has been unable to budget accurately for this line item in the past. The projection of R626 thousand is based on the total fines issued at midyear and month 7 which amounted to R365 thousand. The municipality may have to allocate additional resources and improve consistency in the issuing of fines for the maximum recovery. An increase on this line item is anticipated due to the municipality now issuing air pollution fines which were previously not issued.

INTEREST FROM OUTSTANDING DEBTORS:

This line item has yielded a positive variance as at midyear the municipality billed more interest than originally anticipated. The municipality has adopted a strong drive to improve the collection rate in the previous financial year. Therefore, a decline is anticipated going forward on this line item. The revenue section being assisted by sectional heads is engaging actively with the debtors of different categories. The month 7 actuals of R40.5 m were used to project the adjusted budget.

OTHER REVENUE:

Other revenue has been increased by R2.7 million, this adjustment is due to sale of asset proceeds that were made during the financial year as well as a lgseta refund that was received during the financial year. The municipality will be conservative in the future estimation of this line item to ensure a realistic measure of other revenue for the budget funding plan.

Summary of Adjusted Expenditure Classified by Line Item [B4]

Expenditure By Type													
Employee related costs	363,137	395,959	-	-	-	-	-	-	-	395,959	406,233	406,233	
Remuneration of councillors	6,155	6,219	-	-	-	-	-	-	-	6,219	6,219	6,219	
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory consumed	51,060	92,497	-	-	-	-	(6,000)	(6,000)	86,497	86,497	88,790	89,701	
Debt impairment	164,658	80,482	-	-	-	-	-	-	80,482	80,482	83,943	87,805	
Depreciation and amortisation	73,910	84,528	-	-	-	-	-	-	84,528	84,528	83,303	87,135	
Interest	-	6,456	-	-	-	-	-	-	6,456	6,456	6,740	7,044	
Contracted services	171,931	148,132	-	-	-	-	6,080	6,080	154,212	154,212	125,162	127,142	
Transfers and subsidies	5,830	0	-	-	-	-	-	-	0	0	3,600	-	
Irrecoverable debts written off	-	80,482	-	-	-	-	-	-	80,482	80,482	83,943	87,805	
Operational costs	130,551	198,789	-	-	-	-	(10,150)	(10,150)	188,638	188,638	186,900	192,550	
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	967,232	1,093,544	-	-	-	-	(10,070)	(10,070)	1,083,474	1,083,474	1,054,834	1,071,672	
Surplus/(Deficit)	63,759	(88,963)	-	-	-	-	2,979	2,979	(85,984)	(85,984)	24,005	84,715	
Transfers and subsidies - capital (monetary allocations)	291,529	277,808	-	-	-	-	8,265	8,265	286,073	286,073	311,791	338,970	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) before taxation	355,288	188,846	-	-	-	-	11,243	11,243	200,089	200,089	335,797	423,685	
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation	355,288	188,846	-	-	-	-	11,243	11,243	200,089	200,089	335,797	423,685	
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality	355,288	188,846	-	-	-	-	11,243	11,243	200,089	200,089	335,797	423,685	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	1	355,288	188,846	-	-	-	11,243	11,243	200,089	200,089	335,797	423,685	

EMPLOYEE REALATED COSTS:

The adjustment to employee related cost is R32,8 million this amount relates to annual increase funds that were not provided for in the original budget as salga had rejected the initial application as the municipality cannot afford an increase There were backpays that were owed to employees that was not provided for in the original budget and all these had to be factored into the adjustments budget. As at midyear the municipality had incurred expenditure of R221 m. The high expenditure against budget is also due to bonuses that were paid in November and not accounted for correctly in SA 25 of the original budget.

The budget funding plan had reduced budgeted overtime and stand-by. The process of authorising overtime was also reviewed to ensure that only unavoidable overtime is incurred. However, overtime is still above the recommended norm of 5%. The issue of regularly bursting pipes due to aging infrastructure has been reported as the primary cause of overtime.

The municipality is not able to afford any further increases to salaries which constitute 36% of total operating expenditure (*just below the norm of 40%*) and 61% of the equitable share. The municipality

has been advised by both Treasury and COGTA to process an application to SALGA not to affect a salary increment for the 2025/26 financial year as the municipality is faced with financial challenges.

COUNCILLORS REMUNERATION

The municipality has applied a straight-line basis of calculation using the January year to date figures.

INVENTORY CONSUMED: (fuel & oil, chemicals, water purchases)

The total incremental adjustment to inventory consumed is R35.4 million. In the adopted budget funding plan various strategies were compiled to reduce the amount spent on this line item. The municipality was aiming to reduce the budget for inventory consumed by at least 40% of the original budget.

The municipality has managed to achieve reduction in costs relating to fuel and oil, due to the improved controls in fleet management.

The budget for chemicals had been exceeded at midyear due to reported factors such as water turbidity and floods. The municipality has converted from using chlorine tablets to using powder aiming to reduce the amount spent on chemicals as per the adopted budget funding plan. The panel of service providers was also expanded for competitive prices. An additional budget of R 44 million was factored for water purchases, the original budget was unfortunately underbudgeted due to the municipality struggling to get invoices from DWS as a result costing has proven difficult. The municipality has however on the now available invoices averaged the monthly billing to get a correct amount for the current financial year. Important to note is that the municipality is not paying DWS as the financial stress is dire, however there are talks between the municipality and DWS. The changes factored were virements that had been done and further corrected.

DEPRECIATION:

The municipality has increased depreciation by R 10 million as the municipality has received new fleet, that had to be catered for in the adjustments budget.

DEBT IMPAIRMENT:

The municipality decreased the impairment amount by R 4 million based on calculations that were done as of December 2024. The municipality further moved half to debt written off as the consumers were

given an incentive to write off half of what they owe if they arranged with the municipality. This was a strategy to try and encourage consumers to pay their debt.

CONTRACTED SERVICES:

Contracted services have been decreased by a net effect R17.7 million, major contracted services

- Security R30,5 million
- Pipelines & portable water maintenance R21 million
- Repairs to pump R 59 million
- Vehicle Repairs R8,1 million

The municipality has prioritised the review of contracts, this is one of the primary costs saving strategy of our budget funding plan. Security services had to be increased by R5.4 million, as the need for more security has increased due to vandalism that is increasingly worrying. The municipality is prioritising its core function, however there is very limited funds. We have however tried to cut out as much as possible. There were also virement and further corrected.

OPERATIONAL COSTS:

This line item relates to general expenditure such as electricity, Protective Clothing, Rent & Hire Vehicles, Rental Office Machines, Renting of Offices, telephone etc. The net increase to this line item is R68.1 million which has contributed negatively to the budget funding plan. this increase includes the following amongst other expenditure electricity provided by Eskom, Alfred Duma and Inkosi Langalibalele. This is due to late or non- receipt of invoices, the costing was understated in the original budget and had to be adjusted accordingly in the adjustments budget. An averaged calculation had to be factored in even though we are currently not making any payments to Alfred Duma and Inkosi Langalibalele due to financial stress, but the municipality is engaging with both municipalities for a way forward. A detailed breakdown is contained in the budget funding plan. Audit fees of R4 had not been accounted for in original budget.

- Electricity (Eskom) 95.9 m
- Electricity (Alfred Duma and Inkosi Langalibalele) 41 m
- Plant Hire 10m

The municipality has noted an increase in the provision for travel and subsistence which is not in line with the budget funding plan. Management is currently reviewing the applicable policy, to reduce the amount of expenditure incurred on this line item, the municipality is committed to reviewing and workshopping the revised policy. There is a rapid increase n rental of offices, all these are contributing negatively to the funding position of the municipality. The municipality had decreased the top slice allocation of 11m to 4 million, which 1 m is part of operational costs, and the 3 m was prioritised for salaries.

INTEREST:

The municipality had to factor interest charges of R 6 m, which was underbudgeted for in the original budget as the municipality is financially strained and cannot keep up with its commitments, more interest charges are being charged.

DWS-5.3m

Alfred Duma-339 thousand

Eskom-342 thousand

ADJUSTMENTS TO THE CAPITAL BUDGET

Adjustments Capital Expenditure Budget by vote and funding [B5]

Capital Expenditure - Functional												
Governance and administration		2,000	2,000	-	-	-	-	-	-	2,000	2,500	2,000
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		2,000	2,000	-	-	-	-	-	-	2,000	2,500	2,000
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	6,000	6,000	6,000	-	-
Community and social services		-	-	-	-	-	-	6,000	6,000	6,000	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		306,529	242,241	-	-	-	-	1,187	1,187	243,427	271,123	294,757
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		306,529	242,241	-	-	-	-	1,187	1,187	243,427	271,123	294,757
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	308,529	244,241	-	-	-	-	7,187	7,187	251,427	273,623	296,757
Funded by:												
National Government		291,529	241,573	-	-	-	-	7,187	7,187	248,759	271,123	294,757
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	291,529	241,573	-	-	-	-	7,187	7,187	248,759	271,123	294,757
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		17,000	2,668	-	-	-	-	-	-	2,668	2,500	2,000
Total Capital Funding		308,529	244,241	-	-	-	-	7,187	7,187	251,427	273,623	296,757

Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments

The capital budget was mainly affected by the reduction of Municipal Infrastructure grant (MIG) which was reduced by R2.1 m and a further 5.8 m. The original funding was R191.5 m now reduced to R 189.4 and again to R 183.6 m.

A disaster relief grant of R6.9 m was allocated to the municipality in March.

The municipality also factored the vat implication resulting in R 248,7m
Own funding is at R2.6 m for office furniture, equipment and a vehicle

MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECT	INITIAL BUDGET ALLOCATION 2024/2025	ADJUSTMENT BUDGET ALLOCATION 2024/2025
Kwanobamba- Ezitendeni Water Supply	R 7 000 000,00	R 984 942,28
Weneen Sanitation	R 32 000 000,00	R 35 171 765,56
Bhekuzulu/Ephangwini Water Supply	R 40 101 350,00	R 9 000 000,00
District Wide Sanitation	R 15 000 000,00	R 26 000 000,00
Refurbishment and Upgrade of Water & Sanitation Infrastructure 3	R 10 000 000,00	R 11 168 364,32
Okhahlamba Ward 2, 3 & 14 Regional Bulk Water Supply & Reticulation Network	R 10 000 000,00	R 31 526 006,02
Fitty Park Sundays River Umhlumayo Extensions Phase 1 AFA	R 5 000 000,00	R 10 000 000,00
Ekuvukeni Regional Bulk Water Supply	R 30 000 000,00	R 12 373 157,88
Upgrade of Bergville Water Treatment Works Bulk Water Supply Phase 2	R 20 000 000,00	R 24 000 000,00
Upgrade of Langkloof WTW & Bulk Water Supply Within Ward 10 Phase 2	R 10 833 000,00	R 15 182 887,72
Ezakheni E Sanitation Phase 2	R -	R 935 251,27
Ntabamhlophe Water Supply Phase 4-13 AFA	R -	R 1 830 624,95
MIG Top slice (PMU)	R 1 159 165 000,00	R 5 500 000,00
	R 191 526 000,00	R 183 673 000,00

Mig Top slice operational – 4.5 m
Mig Top slice capital- 1m

Water Infrastructure projects	
Steadville WCDM	25 800 000,00
CE Ezakheni WCDM Project	20 000 004,00
IE Ladysmith AC Pipe Replacement Project	24 000 000,00
SPRING PROTECTION DISTRICT WIDE	15 200 000,00
CE Wembezi Bulk & Reticulation Upgrade (WCDM) Project	9 999 996,00
CE Reticulation Ennersdale Ephangwini Phase 4	5 000 000,00
	100 000 000,00

Disaster allocation- 6.9m

Adjustments Budget financial position – [B6]

DC23 Uthukela - Table B6 Adjustments Budget Financial Position - 2025/06/02

Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash and cash equivalents		(107,356)	(71,368)	–	–	–	–	4,057	4,057	(67,312)	(151,972)	(106,164)
Trade and other receivables from exchange transactions	1	73,257	328,631	–	–	–	–	–	–	328,631	269,545	397,464
Receivables from non-exchange transactions	1	7,102	65,218	–	–	–	–	–	–	65,218	182,405	182,340
Current portion of non-current receivables	2	–	–	–	–	–	–	–	–	–	–	–
Inventory		5,207	57,114	–	–	–	–	6,000	6,000	63,114	19,397	19,397
VAT		43,337	(122,575)	–	–	–	–	–	–	(122,575)	(28,962)	547
Other current assets		48,332	95	–	–	–	–	–	–	95	67,941	67,941
Total current assets		69,879	257,116	–	–	–	–	10,057	10,057	267,172	358,355	561,525
Non current assets												
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	2,620,048	3,405,166	–	–	–	–	7,187	7,187	3,412,352	3,557,975	3,769,034
Biological assets		–	–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–	–
Intangible assets		–	392	–	–	–	–	–	–	392	409	389
Trade and other receivables from exchange transactions		–	1,658	–	–	–	–	–	–	1,658	1,730	1,730
Non-current receivables from non-exchange transactions		–	46	–	–	–	–	–	–	46	48	48
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
Total non current assets		2,620,048	3,407,263	–	–	–	–	7,187	7,187	3,414,449	3,560,162	3,771,202
TOTAL ASSETS		2,689,926	3,664,378	–	–	–	–	17,243	17,243	3,681,622	3,918,517	4,332,727
LIABILITIES												
Current liabilities												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	2,416	–	–	–	–	–	–	2,416	–	–
Consumer deposits		20,735	20,029	–	–	–	–	–	–	20,029	20,891	20,891
Trade and other payables from exchange transactions		490,491	867,497	–	–	–	–	800	800	868,297	883,348	965,601
Trade and other payables from non-exchange transactions		10,431	2,883	–	–	–	–	(0)	(0)	2,883	(816)	(816)
Provisions		50,117	36,722	–	–	–	–	–	–	36,722	42,192	42,192
VAT		58,116	0	–	–	–	–	–	–	0	0	29,509
Other current liabilities		11,337	(78,406)	–	–	–	–	–	–	(78,406)	25,147	25,147
Total current liabilities		641,227	851,142	–	–	–	–	800	800	851,942	970,762	1,082,524
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	35,360	49,527	–	–	–	–	–	–	49,527	51,657	51,657
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–	–	–
Total non current liabilities		35,360	49,527	–	–	–	–	–	–	49,527	51,657	51,657
TOTAL LIABILITIES		676,587	900,669	–	–	–	–	800	800	901,469	1,022,419	1,134,180
NET ASSETS	2	2,013,340	2,763,710	–	–	–	–	16,443	16,443	2,780,153	2,896,098	3,198,546
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		2,024,677	2,685,304	–	–	–	–	11,243	11,243	2,696,547	2,919,889	3,220,920
Funds and Reserves		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		2,024,677	2,685,304	–	–	–	–	11,243	11,243	2,696,547	2,919,889	3,220,920

1. Table B6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity, i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of

the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position

UTHUKELA DISTRICT MUNICIPALITY

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Adjustments Budget Cash Flows – [B7]

s Budget Cash Flows - 2025/06/02												
Description	Ref	2024/25								Budget Year 2025/26	Budget Year 2026/27	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		–	–	–	–	–	–	–	–	–	–	–
Service charges		129,153	118,196	–	–	–	–	–	–	118,196	132,437	168,361
Other revenue		69,392	80,555	–	–	–	–	–	–	80,555	74,898	80,473
Transfers and Subsidies - Operational	1	620,501	632,093	–	–	–	–	(7,092)	(7,092)	625,001	665,135	695,840
Transfers and Subsidies - Capital	1	291,529	277,808	–	–	–	–	8,265	8,265	286,073	311,791	338,970
Interest		10,482	35,149	–	–	–	–	–	–	35,149	–	–
Dividends		–	–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees		(846,752)	(976,644)	–	–	–	–	10,070	10,070	(966,574)	(928,216)	(947,538)
Finance charges		–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	(5,830)	(0)	–	–	–	–	–	–	(0)	(3,600)	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		268,474	167,157	–	–	–	–	11,243	11,243	178,401	252,446	336,105
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets		(308,529)	(244,241)	–	–	–	–	(7,187)	(7,187)	(251,427)	(273,623)	(296,757)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(308,529)	(244,241)	–	–	–	–	(7,187)	(7,187)	(251,427)	(273,623)	(296,757)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–	–
Payments												
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(40,055)	(77,084)	–	–	–	–	4,057	4,057	(73,027)	(21,177)	39,349
Cash/cash equivalents at the year begin:	2	(67,302)	5,715	–	–	–	–	–	–	5,715	(136,969)	(151,972)
Cash/cash equivalents at the year end:	2	(107,356)	(71,368)	–	–	–	–	4,057	4,057	(67,312)	(158,146)	(112,623)

The amount anticipated to be collected from service charges has also been reviewed considering amounts collected as at the end of the second quarter. A collection rate of 40.5% has been applied to the projected water and sanitation sales and interest on outstanding debtors as per our average collection rate at mid-year. Realistic revenue assumptions are the key to a credible budget funding plan. The collection rate of the municipality is on that is very worrisome and contributes negatively to the municipality.

At mid-year the municipality had received R74 million as at the end of December 2024. This is a big challenge for the municipality as we generate very low on our own revenue which is where our financial crisis emanates from. The municipality has on strategies to improve the collect rate, such as offering incentives to our customers to encourage them to pay. The municipality has also introduced the

UTHUKELA DISTRICT MUNICIPALITY

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disconnection of meters as of February, which has also generated income for the municipality. The municipality will be implementing prepaid meters gradually over the next few financial years.

It must be noted that the budget budgeted an amount of R966 million, included 100% of all expenditure and interest budgeted for the current financial year.

Table B8 Cash backed reserves/accumulated surplus reconciliation –[B8]

DC23 Uthukela - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2025/06/02											
Description	Ref	2024/25								Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	
Cash and investments available											
Cash/cash equivalents at the year end	1	(107,356)	(71,368)	–	–	–	–	4,057	4,057	(67,312)	(158,146)
Other current investments > 90 days		–	(0)	–	–	–	–	–	–	(0)	6,175
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		(107,356)	(71,368)	–	–	–	–	4,057	4,057	(67,312)	(151,972)
Applications of cash and investments											
Unspent conditional transfers		10,431	2,883	–	–	–	–	(0)	(0)	2,883	2,784
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements		26,117	44,169	–	–	–	–	–	–	44,169	54,109
Other working capital requirements	2	431,595	681,357	–	–	–	–	(77,606)	(77,606)	603,751	576,999
Other provisions		50,117	36,722	–	–	–	–	–	–	36,722	42,192
Long term investments committed		–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		518,259	765,131	–	–	–	–	(77,606)	(77,606)	687,525	676,084
Surplus(shortfall)		(625,615)	(836,499)	–	–	–	–	81,662	81,662	(754,837)	(828,055)

B8 further emphasises that our budget is unfunded to the extent of a R754million deficit

Statutory requirements of R44.1 million is the provision for VAT payable. The municipality does however anticipate spending in full all conditional grants in the current financial year.

The amount of R36 million provision for employee leave. This provision has been ear marked as an area for reduction, by managing and limiting the amount of leave days that may be accumulated by employees. This would reduce the provision and ultimately reduce the budget deficit.

The municipality has increased other working capital to R603 million due to the net increase in expenditure. The municipality is working on a credible funding plan that will be tabled with this adjustments budget. The municipality was further requested by treasury to cut expenditure of R 750 million for the municipality to have a funded and credible budget plan. It is however impractical for the municipality; therefore, the municipality must focus on its revenue enhancement strategies.

Table B9 Asset Management –[B9]

UTHUKELA DISTRICT MUNICIPALITY

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ASSET REGISTER SUMMARY - PPE (WDV)	5	2,590,045	3,383,633	-	-	-	-	18,352	18,352	3,401,985	3,518,384	3,689,423
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		58,752	16,838	-	-	-	-	6,809	6,809	23,648	85,761	173,921
Sanitation Infrastructure		48,071	52,926	-	-	-	-	(8,045)	(8,045)	44,881	67,302	151,558
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		106,823	69,764	-	-	-	-	(1,236)	(1,236)	68,529	153,063	325,479
Community Assets		2,382,877	3,245,412	-	-	-	-	-	-	3,245,412	3,366,279	3,366,279
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other Assets		80,912	68,450	-	-	-	-	18,718	18,718	87,169	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	392	-	-	-	-	-	-	392	409	389
Computer Equipment		517	560	-	-	-	-	-	-	560	(617)	(97)
Furniture and Office Equipment		12,035	642	-	-	-	-	870	870	1,512	1,626	2,236
Machinery and Equipment		15,000	-	-	-	-	-	-	-	-	-	-
Transport Assets		(8,119)	(1,587)	-	-	-	-	-	-	(1,587)	(2,377)	(4,863)
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2,590,045	3,383,633	-	-	-	-	18,352	18,352	3,401,985	3,518,384	3,689,423
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		73,910	84,528	-	-	-	-	-	-	84,528	83,303	87,135
Repairs and Maintenance by asset class	3	100,378	78,427	-	-	-	-	(470)	(470)	77,957	55,000	55,675
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		20,000	4,000	-	-	-	-	56	56	4,056	1,000	1,000
Water Supply Infrastructure		80,378	74,427	-	-	-	-	(776)	(776)	73,651	54,000	54,675
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		100,378	78,427	-	-	-	-	(720)	(720)	77,707	56,000	56,675
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	250	250	250	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		174,288	162,955	-	-	-	-	(470)	(470)	162,485	138,303	142,810

Table B10

UTHUKELA DISTRICT MUNICIPALITY

2025

DC23 Uthukela - Table B10 Basic service delivery measurement - 2025/02/28

Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14	15	16	17
		A	A1	B	C	D	E	F	G	H	I	J
Household service targets	1											
Water:												
Piped water inside dwelling		71154								71	71509	71867
Piped water inside yard (but not in dwelling)		47516								48	47753	47992
Using public tap (at least min.service level)	2	26933								27	27068	27203
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>		146								146	146	147
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply		29191								29	29336	29483
<i>Below Minimum Service Level sub-total</i>		29								29	29	29
Total number of households	5	175								175	176	177
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		81221								81 221	81627	82035
Flush toilet (with septic tank)												
Chemical toilet		9947								9 947	9996	10046
Pit toilet (ventilated)		72940								72 940	73305	73671
Other toilet provisions (> min.service level)		6057								6 057	6087	6118
<i>Minimum Service Level and Above sub-total</i>		170 165								170 165	171 015	171 870
Bucket toilet		1389								1 389	1396	1403
Other toilet provisions (< min.service level)												
No toilet provisions		3239								3 239	3255	3272
<i>Below Minimum Service Level sub-total</i>		4 628								4 628	4 651	4 675
Total number of households	5	174 793								174 793	175 666	176 545
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											

DC23 Uthukela - Table B10 Basic service delivery measurement - 2025/06/02

Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14	15	16	17
		A	A1	B	C	D	E	F	G	H	I	J
Household service targets	1											
Water:												
Piped water inside dwelling		71154								71	71509	71867
Piped water inside yard (but not in dwelling)		47516								48	47753	47992
Using public tap (at least min.service level)	2	26933								27	27068	27203
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>		146								146	146	147
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply		29191								29	29336	29483
<i>Below Minimum Service Level sub-total</i>		29								29	29	29
Total number of households	5	175								175	176	177
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		81221								81 221	81627	82035
Flush toilet (with septic tank)												
Chemical toilet		9947								9 947	9996	10046
Pit toilet (ventilated)		72940								72 940	73305	73671
Other toilet provisions (> min.service level)		6057								6 057	6087	6118
<i>Minimum Service Level and Above sub-total</i>		170 165								170 165	171 015	171 870
Bucket toilet		1389								1 389	1396	1403
Other toilet provisions (< min.service level)												
No toilet provisions		3239								3 239	3255	3272
<i>Below Minimum Service Level sub-total</i>		4 628								4 628	4 651	4 675
Total number of households	5	174 793								174 793	175 666	176 545
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											


2.1 Adjustments to budget funding:

Cash and Investment particulars by maturity:

UTHUKELA DISTRICT MUNICIPALITY

2025

ANALYSIS OF CASH & INVESTMENTS:

											
SHORT TERM DEPOSIT REGISTER 01/04/2025 to 30/04/2025											
Opening balance as at 1 April 2025						R 112 547 307,99					
Closing balance as at 30 April 2025						R 82 021 446,75					
INVESTMENT ACCOUNT		OPENING BALANCE 01/04/2025	INVESTED 01/04/2025 TO 30/04/2025	DATE	DISINVESTED 01/04/2025 TO 30/04/2025	DATE	INTEREST ACCRUED 01/04/2025 TO 30/04/2025	DATE	CHARGES PAID 01/04/2025 TO 30/04/2025	DATE	CLOSING BALANCE 30/04/2025
GRANTS	MONEY MARKET INVESTMENT										
FNB 62283176644	FNB	436 573,03					2 063,25	01/04/2025			438 636,28
INTEREST RATE	6.65%										
FLEET AUCTION	CALL DEPOSIT ACCOUNT										
FNB 63081036759	FNB	6 911 292,73					41 751,78	30/04/2025			6 953 044,51
INTEREST RATE	DISASTER RELIEF GRANT										
8.10%											
GRANTS	CALL DEPOSIT ACCOUNT										
FNB 63081030496	FNB	18 769,66	2 779 260,00	04/04/2025			15 224,19	31/03/2025			2 813 253,85
INTEREST RATE	FLEET AUCTION										
8.10%											
GRANTS	CALL DEPOSIT ACCOUNT										
037881184698/000001	NEDBANK	31,47					0,30	01/04/2025			31,77
INTEREST RATE											
8.20%											
GRANTS	CALL DEPOSIT ACCOUNT										
1100433766501	INVESTEC	0,00									0,00
INTEREST RATE											
7.75%											
GRANTS	INVESTMENT TRACKER										
9361819521	ABSA	0,00									0,00
INTEREST RATE											
8.90%											
GRANTS	INVESTMENT TRACKER										
9396826771	ABSA	105 092 630,14			34 000 000,00	23/04/2025	635 349,69	01/05/2025	-100,00	23/04/2025	71 727 879,83
INTEREST RATE	SALARIES										
8.90%											
GRANTS	LIQUIDITY PLUS										
9349109796	ABSA	0,00									0,00
INTEREST RATE											
7.70%											
EQUITY SHARE	48 HOUR NOTICE ACCOUNT										
068455364-006	STANDARD	88 010,96					589,55	30/04/2025			88 600,51
INTEREST RATE											
8.40%											
		112 547 307,99	2 779 260,00	0,00	34 000 000,00	0,00	694 978,76	0,00	-100,00	0,00	82 021 446,75

Investments at the end of April 2025 were R82 million.

2.2 Expenditure on grants and reconciliations of unspent funds

Adjustments budget – transfers and grant receipts – [SB7]

UTHUKELA DISTRICT MUNICIPALITY GRANT REGISTER - 2024/25 Summary of Grants received, expenditure & Funds available as at 30 APRIL 2025									
			Audited Balance as at	Budget Amount 2024/25	Received		Spent & transferred to income		Closing Balance/ Unspent
	Name of Grant owner	Grant Type	01/07/2024		2024/25	% Spent on total allocation	2024/25	% Spent on received amount	2024/25
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0,00	189 429 000,00	183 673 000,00	68%	128 983 084,89	70%	54 689 915,11
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0,00	100 000 000,00	100 000 000,00	57%	57 489 289,79	57%	42 510 710,21
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99 112,92	2 792 000,00	2 792 000,00	74%	2 070 652,24	72%	820 460,68
		MUNICIPAL DISASTER RELIEF		6 900 000,00	6 900 000,00	0%	0,00	0%	6 900 000,00
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0,00	1 685 000,00	1 685 000,00	67%	1 128 107,08	67%	556 892,92
G3.107	BB Sithole	FINANCE MANAGEMENT GRANT	0,00	2 000 000,00	2 000 000,00	45%	903 377,25	45%	1 096 622,75
G3.108	O Mnguni	LG SETA	0,00	0,00	604 586,93	0%	142 041,00	23%	462 545,93
			99 112,92	302 806 000,00	297 654 586,93	63%	190 716 552,25	64%	107 037 147,61

The unspent grants at the end of April 2025 were R107 million.

Adjustments to budget assumptions

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the Adjusted 2024/25 MTREF:

- National Government macro -economic targets.
- The general inflationary outlook and the impact on municipality's residents and businesses.
- The impact of municipal cost drivers.

Collection rate for revenue services

With the help from provincial treasury, we have calculated the municipality's collection rate on Water and Sanitation. Both the Debtors and Revenue collection rate were calculated. For cash flow purposes, the Revenue collection rate was used because we felt its more accurate reflection of the income that is collected. The Revenue collection rates were as follows:

- Water – 40.5%

- Sanitation – 40.5%
- Interest on outstanding- 40.5%

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs.
- Enhancing education and skill development.
- Improving Health services.
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes.

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2024/25 MTREF of which performance has been factored into the cash flow budget.

Adjustments to budget funding

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, sanitation, operating and capital grants from organs of state and other minor charges (such as sale of goods).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development.
- Revenue management and enhancement.
- Achievement of average 80 per cent annual collection rate for consumer revenue.
- National Treasury guidelines.
- Achievement of full cost recovery of specific user charges.
- Determining tariff escalation rate by establishing/calculating revenue requirements.
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers aligned to the economic forecasts.

Adjustments to expenditure on allocations and grant programs.

National treasury has further gazetted R5m million reduction in municipal infrastructure grant.

The municipality had unspent grants of R2 million.

Adjustments to allocations and grants made by the municipality

There were no allocations and grants made by the municipality.

2.3 Adjustments to Councillor and employee benefits [SB11]

UTHUKELA DISTRICT MUNICIPALITY

2025

DC23 Uthukela - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 2025/02/28

Summary of remuneration	Ref	2024/25										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
		A	5	6	7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F	G	H		
Councillors (Political Office Bearers plus Other)												
Basic Salaries and Wages		4 525	–			–		982	982	5 506	21,7%	
Pension and UIF Contributions		–	–			–		–	–	–		
Medical Aid Contributions		–	–			–		–	–	–		
Motor Vehicle Allowance		1 140	–			–		(1 078)	(1 078)	62	-94,6%	
Cellphone Allowance		490	–			–		160	160	650	32,7%	
Housing Allowances		–	–			–		–	–	–		
Other benefits and allowances		–	–			–		–	–	–		
Sub Total - Councillors		6 155	–			–		64	64	6 219	1,0%	
% increase			(0)							0		
Senior Managers of the Municipality												
Basic Salaries and Wages		13 514	–	–		–		(8 839)	(8 839)	4 676	-65,4%	
Pension and UIF Contributions		53	–	–		–		(47)	(47)	6	-88,0%	
Medical Aid Contributions		–	–	–		–		–	–	–		
Overtime		–	–	–		–		–	–	–		
Performance Bonus		–	–	–		–		–	–	–		
Motor Vehicle Allowance		–	–	–		–		494	494	494	#DIV/0!	
Cellphone Allowance		–	–	–		–		–	–	–		
Housing Allowances		1 384	–	–		–		989	989	2 373	71,4%	
Other benefits and allowances		–	–	–		–		–	–	–		
Payments in lieu of leave		–	–	–		–		–	–	–		
Long service awards		–	–	–		–		–	–	–		
Post-retirement benefit obligations	5	–	–	–		–		–	–	–		
Entertainment		–	–	–		–		–	–	–		
Scarcity		–	–	–		–		–	–	–		
Acting and post related allowance		–	–	–		–		–	–	–		
In kind benefits		–	–	–		–		–	–	–		
Sub Total - Senior Managers of Municipality		14 952	–	–		–		(7 403)	(7 403)	7 549	-49,5%	
% increase			(0)							(0)		
Other Municipal Staff												
Basic Salaries and Wages		235 864	–	–	–	–	–	14 533	14 533	250 397	6,2%	
Pension and UIF Contributions		44 335	–	–	–	–	–	(3 217)	(3 217)	41 118	-7,3%	
Medical Aid Contributions		9 969	–	–	–	–	–	919	919	10 888	9,2%	
Overtime		14 903	–	–	–	–	–	16 494	16 494	31 396	110,7%	
Performance Bonus		12 668	–	–	–	–	–	7 075	7 075	19 743		
Motor Vehicle Allowance		13 022	–	–	–	–	–	4 872	4 872	17 894	37,4%	
Cellphone Allowance		–	–	–	–	–	–	–	–	–		
Housing Allowances		3 374	–	–	–	–	–	(2 307)	(2 307)	1 067		
Other benefits and allowances		10 034	–	–	–	–	–	(296)	(296)	9 737	-3,0%	
Payments in lieu of leave		2 256	–	–	–	–	–	1 890	1 890	4 146	83,8%	
Long service awards		–	–	–	–	–	–	–	–	–		
Post-retirement benefit obligations	5	–	–	–	–	–	–	–	–	–		
Entertainment		–	–	–	–	–	–	–	–	–		
Scarcity		–	–	–	–	–	–	–	–	–		
Acting and post related allowance		1 761	–	–	–	–	–	263	263	2 024		
In kind benefits		–	–	–	–	–	–	–	–	–		
Sub Total - Other Municipal Staff		348 185	–	–	–	–	–	40 225	40 225	388 410	11,6%	
% increase												
Total Parent Municipality		369 292	–	–	–	–	–	32 886	32 886	402 177	8,9%	

A total increase of R32 million will be affected to employee related costs and councillor allowances increasing from R 6.1m to R6.2m Detailed explanation under discussion of table B4.

2.4 Debtors age analysis

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 - April

Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts in Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days - 1 Yr	Over 1 Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	26 948	16 307	15 950	16 457	13 452	14 812	15 987	863 619	965 441	924 336	--	--
Trade and Other Receivables from Exchange Transactions - Electricity	1300	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Non-exchange Transactions - Property Rates	1400	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Exchange Transactions - Waste Water Management	1500	1 627	1 145	1 063	976	908	896	1 068	50 256	58 228	54 103	--	--
Receivables from Exchange Transactions - Waste Management	1600	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Exchange Transactions - Property Rental Debtors	1700	--	--	--	--	--	--	--	--	--	--	--	--
Interest on Arrear Debtor Accounts	1810	6 678	6 962	6 939	6 494	6 239	6 325	6 063	262 098	326 967	307 219	--	--
Recoverable unauthorised, irregular, pulsed and wasteful expenditure	1820	--	--	--	--	--	--	--	--	--	--	--	--
Other	1900	154	41	42	81	26	94	39	14 570	15 049	14 812	--	--
Total By Income Source	2600	35 704	26 055	23 454	24 007	20 638	22 127	23 156	1 210 544	1 385 685	1 300 471	--	--
2023/24 - Initial only		--	--	--	--	--	--	--	--	--	--	--	--
Debtors Age Analysis By Customer Group													
Organs of State	2200	6 848	2 101	1 219	1 124	745	975	864	54 561	68 440	58 270	--	--
Commercial	2300	6 464	2 853	1 407	1 062	1 250	1 150	3 012	62 629	80 030	69 306	--	--
Households	2400	22 391	21 101	20 828	21 821	18 639	20 052	19 280	1 083 153	1 207 215	1 172 895	--	--
Other	2500	--	--	--	--	--	--	--	--	--	--	--	--
Total By Customer Group	2600	35 704	26 055	23 454	24 007	20 638	22 127	23 156	1 210 544	1 385 685	1 300 471	--	--

As at the end of April 2025, the aged debtors totalled R 1.3 billion.

2.5 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description	NT Code	Budget Year 2024/25								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									--
Bulk Water	0200									--
PAYE deductions	0300									--
VAT (output less input)	0400									--
Pensions / Retirement deductions	0500									--
Loan repayments	0600									--
Trade Creditors	0700	15 898	19 969	15 618	8 057	505 902				565 444
Auditor General	0800									--
Other	0900									--
Total By Customer Type	1000	15 898	19 969	15 618	8 057	505 902	--	--	--	565 444

As at the end of April 2025 trade creditors totalled R 565 million.

2.6 Other Supporting Tables/ Information

- B Schedule
- Budget Funding Plan
- Grant Register (30 April 2025)
- Investment Register (30 April 2025)
- Creditors listing (30 April 2025)

2.7 Municipal Manager's quality certificate



I Langelihle Jili Municipal Manager of UThukela District Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with S72 and S28 of the Municipal Finance Management Act and the regulations made under this Act. In conjunction with National Treasury circular number 91.

Print Name: LS Jili
Municipal Manager

Signature:

Date: 30 May 2025